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PR06:020

FOR IMMEDIATE RELEASE:
MARCH 8, 2006

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Westly Warns of Tax Shelter Program Deadline

Program to Bring State \$400 Million

SACRAMENTO – Users of abusive tax shelters have until March 31 to come clean under the California Tax Shelter Resolution Initiative, State Controller and Franchise Tax Board Chair Steve Westly said today. The initiative, which Westly announced in January, will raise \$400 million for the state budget.

“Abusive tax shelters divert funding that should be going to our schools, parks and roads. These shelters are nothing more than scams that victimize the honest taxpayers of California,” Westly said. “This program is projected to raise \$400 million for the budget without raising a nickel in taxes. Too many in Sacramento think the only ways to find money for the budget are to raise taxes or cut vital services – there’s a better way. The state is owed \$6.5 billion that it doesn’t collect every year. We should be collecting it.”

“This initiative is a good deal for those taxpayers who may have inappropriately invested in one of these shelters,” said Board of Equalization Chair and FTB Member John Chiang. “This is a rare chance for taxpayers to resolve these tax shelter issues with both taxing agencies while avoiding most penalties.”

The California Tax Shelter Resolution Initiative follows the IRS tax shelter settlement initiative, which waives most penalties to encourage users of 21 abusive tax shelters to pay what they owe. For those who do not participate in the initiative, FTB’s abusive tax shelter unit will aggressively pursue those taxpayers and promoters who are involved with abusive tax shelters. Information is available at www.ftb.ca.gov.

Controller Westly has led the way in finding revenues to pay for state services without raising taxes. Through two programs, he has spearheaded the collection of \$3.5 billion.

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